

September 15, 2006

**EXECUTIVE AND JUDICIAL COMPENSATION  
IN THE FEDERAL GOVERNMENT**

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**A Major Rebalancing of Top-Level Salaries  
Followed by a New Annual Adjustment Factor**

Mr. Chairman and Fellow Subcommittee Members:

Thank you for giving me the opportunity to provide testimony on the subject of "Executive and Judicial Compensation in the Federal Government."

I believe the pay of top governmental officials in the Executive and Judicial Branches is too low. It should be raised significantly and put on a new adjustment basis, not tied to inflation (which is a conflict of interest) but to the pay of the average American worker. Higher pay is warranted for the top officials in the Executive and Judicial Branches not because it would attract better people. There are many reasons great people seek our higher office, and money is not high on the list, nor should it be. We need higher pay for the top officials so we can pay more to those who toil just underneath them, and for whom governmental service is now a great financial sacrifice to them and their families in relation to what people of similar education, talent and experience can earn on the outside. These are the political appointees in Executive Levels V-II and who now work for salaries ranging from \$133,900 to \$165,200, and who are compressed from below by recent increases in SES salaries. Also, there are counterpart-level executives in the Judicial Branch who deserve similar treatment as well.

What types of salaries do I have in mind that would relieve this compression from the top and bottom? Here are some aggressive ideas that could be considered:

	<u>Proposed</u>	<u>Current 2006</u>
President	\$750,000	\$400,000
Vice President	\$500,000	\$212,100
Chief Justice	↓	\$212,000
Associate Justices	\$350,000	\$203,000
Cabinet Heads (EX I)	↓	\$183,500
Executive Level II	\$300,000	\$165,200
Executive Level III	250,000	\$152,000
Executive Level IV	225,000	\$143,000
Executive Level V	200,000	\$133,900

All executive pay levels, except the President's, are now indexed to annual inflation (COLA) unless Congress votes not to grant a raise. Please give consideration whether this is a conflict of interest and whether it might not be better to index top governmental salaries to BLS statistics for the pay of the average American full-time worker. This would align everyone's interests.

If the Subcommittee prefers not to act directly on these proposals, please consider the appointment of a Quadrennial Commission to study the matter further and make recommendations. I would be honored to serve on, or as an advisor to, this Commission.

My suggestions are presented as a private citizen with 40 years experience as an executive compensation consultant serving large public corporations and their boards on the structure and levels of their top executives' compensation. In addition, since 2002 I have served on the Defense Business Board under Secretary Rumsfeld in the capacity as head of their human resources task group.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Frederic W. Cook". The signature is fluid and cursive, with a large initial "F" and a long, sweeping underline.

Frederic W. Cook